

**Delaware Expenditure Review Committee
Blue Ball Barn – Hay Room – Wilmington, DE
Friday, October 23, 2015**

The Delaware Expenditure Review Committee met on Friday, October 23, 2015 at Blue Ball Barn in Wilmington, Delaware. The following committee members and guests were present:

Committee Members:

Chairman Fred Sears, Delaware Community Foundation
Ann S. Visalli, Office of Management and Budget
Jack Riddle, Community Bank (via phone)
Mike Jackson, Controller General's Office
Jeff Taschner, Delaware State Education Association
Dennis Greenhouse, Dennis E. Greenhouse Consulting
Lincoln Willis, Willis Chevrolet
Robert McMurray, Christiana Care
The Honorable Joshua Martin, DEFAC
Ed Ratledge, University of Delaware
Fred Cottrell, Richards, Layton & Finger

Guests:

Brian Maxwell, Office of Management and Budget
Debra Gerardi, Office of Management and Budget
Meaghan Brennan, Office of Management and Budget
Jessica Eisenbrey, Office of Management and Budget
Nick Johnson, Office of Management and Budget
John Cape, PFM
Randy Bauer, PFM
Lauren Vella, General Assembly
Sean Finnigan, Delaware House of Representatives
Paul Morrill, Committee of 100
Art Jenkins, Controller General's Office
Kathy McGuinness
Tom Shopa
Jeremy Baughman

Introductions/Sign In

Chairman Sears called the meeting to order at 1:04 p.m.

Public Comments

There were no public comments.

Approval of Minutes

Chairman Sears requested a motion to approve the minutes from the October 9, 2015 meeting. Robert McMurray made the motion and Jeff Taschner seconded the motion. Upon unanimous vote the minutes were approved.

Discussion: Character of Deliverables

PFM provided a presentation to the committee with the following items discussed:

- Meeting schedule outline:
 - October – Organize
 - November – Define
 - December – Analyze
 - January – Report
- A review of states that have conducted similar studies of their expenditures and/or operations. In general, these fall into four categories:
 - Governor Appointed Citizen Members
 - Legislative Appointed Citizen and/or Legislator Membership
 - Hybrid Governor/Legislative with Citizen and Legislator or Cabinet Level
 - Conducted by an External Organization

A brief overview of the studies by state were presented to the committee.

- Director Visalli gave an overview of the Delaware Government Performance Review and highlighted some areas of savings such as:
 - Leased space;
 - Procurement practices;
 - State fleet vehicles – 30 percent reduction;
 - Installation on GPS devices in to ensure that vehicles are being utilized appropriately;
 - 2 floating holidays which reduced the cost of overtime;
 - Information Technology consolidation; and
 - Elimination or consolidation of state functions.

Nick Johnson, Office of Management and Budget Analyst for the Department of Correction, gave an expenditure overview of the Department of Correction. This overview included an itemized listing of the department's Fiscal Year 2015 General Fund Expenditures which was discussed in depth.

Discussion of Subject for Future Meetings

During the course of the presentations there was discussion and more information requested on the following items:

- Chairman Sears would like a list of highlights from the Delaware Government Performance Review and would like for those items to be distributed prior to the November 6 meeting.

- Chairman Sears suggested looking into vehicles purchased by the Department of Correction (i.e. type of vehicle and frequency of purchases which could result in longer use of the vehicles and the possibility of some vehicles being small such as golf cart type vehicles).
- Jeff Taschner would like a breakdown of overtime costs (back to 2009) for the Department of Correction.
- Brian Maxwell asked for information on Department of Correction overtime from a facility standpoint.
- Fred Cottrell would like to look at underutilized state buildings.
- Chairman Sears stated that the marketing campaign for Prison Industries should be looked into further.
- Robert McMurray raised questions in regard to employee and retiree health. Director Visalli mentioned that she would forward the link to the documents presented at the State Employees Health Task Force meetings.
- Robert McMurray asked for information on the State's pension.
- Ed Ratledge asked for reports from the Department of Transportation Task Force.
- Judge Martin commented on looking further into the reduction or limited sentencing requirements by the Courts which would result in fewer people in our prisons. Judge Martin would like to make this note present in the committee's final report.

At the conclusion of the presentation, Chairman Sears recommended areas to be discussed at future meetings:

Education

DeIDOT

DHSS (Medicaid)

DEDO

Health Benefits

Pension

Other Business

The next Delaware Expenditure Review Committee meeting is scheduled for Friday, November 6 at 9:00 a.m. at Bellevue - Library, Wilmington, Delaware. The meeting was adjourned at 3:06 p.m.